

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2228 - SB 2465**

February 27, 2022

**SUMMARY OF BILL:** Requires a healthcare prescriber to offer a prescription for naloxone hydrochloride, or a similar FDA approved drug, to a patient who is prescribed an opioid and that meets certain criteria. States that a prescriber who fails to offer the prescription is subject to administrative sanctions. Excludes individuals whose opioid prescription is part of their palliative care treatment.

**FISCAL IMPACT:**

**Increase State Expenditures – \$21,500/FY22-23 and Subsequent Years**

**Increase Federal Expenditures – \$42,100/FY22-23 and Subsequent Years**

Assumptions:

- According to information provided by the Division of TennCare (Division), currently 8,375 chronic opioid users are covered. Of these individuals, it is estimated that 10 percent, or 838 (8,375 x 10%) individuals, will meet the criteria established in the proposed legislation to be offered a naloxone hydrochloride prescription.
- The average cost of a naloxone hydrochloride prescription in FY20-21 was \$75.89. Therefore, the total increase in state expenditures will be \$63,596 (838 x \$75.89).
- Medicaid expenditures receive matching funds at a rate of 66.165 percent federal funds to 33.835 percent state funds. Of this amount \$21,518 (\$63,596 x 33.835%) will be in state funds and \$42,078 (\$63,596 x 66.165%) will be in federal funds.
- According to the Division of TennCare's definition of medical necessity, an enrollee at a high risk of witnessing an overdose does not meet this definition and consequently would not meet treatment requirements. Therefore, there would be no federal match and any expenditure would be funded by state dollars for these prescriptions.
- The portion of this population that would receive a prescription, per this legislation cannot be determined, but would result in an increase of state expenditures at a rate of \$75.89 per recipient. Therefore, the total increase in state expenditures to the Division is estimated to exceed \$42,078.
- The precise impacts to the State Group Plan, the Local Education Plan, and the Local Government Plan are unknown at this time. However, it is assumed meeting the requirements of this proposed legislation will not have a significant impact on expenditures for possible drugs or the premiums paid by state and local government to maintain efficient self-funding.

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- Any sanctions imposed on a prescriber for noncompliance with the proposed legislation will be decided by the prescriber's licensing authority and are assumed to have no significant impact to state or local governments.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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